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TAGS: [BEXP](#) [ECON](#) [ENRG](#) [IR](#) [KNNP](#) [PARM](#) [TRGY](#) [TU](#)
SUBJECT: TURKISH INTEREST IN NUCLEAR ENERGY

REF: 05 ANKARA 7390

Classified By: DCM Nancy McEldowney for reasons 1.4 (b) and (d).

¶1. (SBU) Summary: Turkey's need for energy diversification has become a more prominent issue after this winter's problems with the supply of hydrocarbon products provided by Iran and Russia. Nuclear power is being actively considered and several countries have offered to assist in this development. The GOT has no plans for enrichment. We understand that Secretary Bodman noted the importance of balanced diversification during Energy Minister's Guler's recent visit to the US. US participation in the development of the Turkish Peaceful Nuclear Energy program will be limited without the ratification of the Cooperation of Peaceful Uses of Nuclear Energy Agreement signed in July 2000. End Summary.

TURKEY INTERESTED IN NUCLEAR POWER BUT NOT ENRICHMENT

¶2. (U) Turkish Minister of Energy Hilmi Guler led a delegation of Turkish officials to the US in early February to discuss various energy issues. The Turkish delegation was also given a tour of the North Anna Nuclear Power Station. Energy Ministry officials tell us that this visit was very beneficial in their development of a more diversified energy policy. We understand that in response to Secretary Bodman's observation that Turkey needed to diversify its energy sources away from hydrocarbons and to other sources including nuclear and wind, Guler explained that Turkey is investigating other methods, including nuclear, but the lack of US ratification of the Cooperation for the Peaceful Uses of Nuclear Energy Agreement would limit the extent of US involvement. Guler also pointed out that for lack of this Agreement, the planned exchange of highly enriched uranium fuel rods for low enriched fuel rods in 2005 was stopped.

¶3. (SBU) President of the Turkish Atomic Energy Authority (TAEK), Okay Cakiroglu told us recently that he has now met with a delegation from Russia in addition to other countries (as reported reftel) to discuss Turkey's nuclear power station needs. Cakiroglu continues to desire US technology for the Turkish program, however he believes planning needs to begin soon in order to have an operating power stations within the next 5-7 years. When asked about a story in the Turkish press on March 8 that Iran would be willing to move its enrichment activities to Turkey, Cakiroglu responded that Turkey has no desire to conduct any uranium enrichment activities. Cakiroglu added that while Turkey is serious about including nuclear energy in its energy portfolio, it has no desire to develop its own enrichment capability and will instead purchase the fuel from a reliable source following all established IAEA guidelines. The Turkish press, in updating this story on March 16, stated that Iran has withdrawn the offer to move its activities to Turkey.

US FIRMS INTERESTED, BUT COMPETITION IS STIFF

14. (SBU) Post understands that US firms General Electric, Westinghouse/Toshiba/BNFL, and Stone, Shaw and Webster have indicated interest in looking at Turkey's quest to acquire nuclear power stations to diversify its energy mix and meet a projected electricity shortfall. MFA officials have told us that in addition to Russian companies, French and German companies (including Siemens) have expressed their serious interest in pursuing these commercial opportunities. Those companies have also suggested that they would be able to deliver attractive, government-supported financing. While the GOT has been holding these general discussions with a variety of international firms, they have not yet launched a formal tender.

PEACEFUL USES AGREEMENT REQUIRED FOR AMERICAN PARTICIPATION

15. (C) Comment: It has been nearly a year since the GOT formally requested (April 2005) a status of the US's ratification of the Agreement for the Cooperation Concerning the Peaceful Uses of Nuclear Energy. We still have not provided the GOT with a response, although we have outlined requirements that the GOT needed to complete prior to considering the forwarding of the agreement (reftel). The GOT has complied with all the additional requirements and now awaits information concerning the status of the agreement. Without this agreement, US companies will not be able to participate in this program no matter how much the GOT would like to utilize US technology.

16. (SBU) Comment (cont.): We also understand that DOE is considering adding Turkey as a participant in the new Global Nuclear Energy Partnership initiative. This initiative is designed to increase the sharing of nuclear technology and non-proliferation information. Lack of any progress on the ratification of the Cooperation Concerning the Peaceful Uses of Nuclear Energy Agreement could be -- or at least be perceived to be from the GOT -- as an impediment to Turkey's participation in this initiative. End Comment.

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